



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 9/27/2006

**GAIN Report Number:** JO6009

## Jordan

## Grain and Feed

## Annual

## 2006

**Approved by:**

Peter Kurz

U.S. Embassy

**Prepared by:**

Mohamed Khraishy

---

**Report Highlights:**

The MY 2006 rainfall season in Jordan was below the average. Wheat imports for MY 2006/2007 are expected to reach 910,000 MT of which at least 32,000 MT will be imported from the U.S. under the PL 480 Title I program. For the same period, Jordan's barley imports are expected to reach 700,000 MT (none from the U.S.), corn imports 510,000 MT (U.S. 80 percent), and rice imports 132,000 MT (U.S. 50 percent).

---

Includes PSD Changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

Amman [JO1]

[JO]

---

Table of Contents

<b>Executive Summary</b> .....	<b>3</b>
Production and Consumption .....	4
Trade .....	4
Import Trade Matrix .....	5
<b>Jordan</b> .....	<b>6</b>
Production and Consumption .....	6
Trade .....	6
Import Trade Matrix .....	7
<b>TOTAL SUPPLY</b> .....	<b>8</b>
Production and Consumption .....	8
Trade .....	8
<b>Jordan</b> .....	<b>9</b>
Production and Consumption .....	10
Trade .....	10
Import Trade Matrix .....	11
<b>Production and Price Policy</b> .....	<b>12</b>
<b>Market Development</b> .....	<b>12</b>

## Executive Summary

The World Trade Organization (WTO) and Food and Agriculture Organization (FAO) classify Jordan as a net food importing country. This class is applicable to countries that import more than 50 percent of their staple food.

Wheat imports from the U.S. during MY 2005/2006 is about 64,000 MT out of 96,000 MT purchased.

While total Jordan wheat imports were 910,000 MT, wheat imports from the U.S. were under the PL 480 Title I program. High U.S. wheat prices contribute to Jordan's reliance on suppliers from the Black Sea basin for soft wheat and Syrian hard wheat, even though the resultant bread is of inferior quality.

Jordan's barley imports are expected to reach 700,00 MT, with none coming from the U.S. This is due to the availability of other competitive suppliers on one hand and the lower shipment costs from suppliers in the region. Corn imports are expected to recover totally from avian influenza-related concerns to reach 500,000 MT, with 80 percent coming from the U.S. Rice imports are expected to exceed 132,000 MT, with 50 percent, coming from the U.S.

The rain season in Jordan ended with less than average precipitation. Output of the two main cereals (wheat and barley) produced in Jordan was below their average. Jordan produces only 7 percent of its wheat consumption and only 5 percent of its barley consumption.

**PSD Table**

Jordan					
<b>Wheat (1000 MT)</b>					Forecast
	Revised	<b>2004</b>	Forecast	<b>2005</b>	2006
	Old	New	Old	New	New
<b>Market Year Begin</b>		<b>July-04</b>		<b>July-05</b>	<b>July-06</b>
Area Harvested (1000 Hectares)	27	47	50	25	50
Beginning Stocks	78	53	13	42	68
Production	35	51	50	26	50
TOTAL Mkt. Yr. Imports	600	778	605	934	910
Jul-Jun Imports	600	778	605	934	910
Jul-Jun Import U.S.	450	184	330	96	32
<b>TOTAL SUPPLY</b>	713	<b>882</b>	668	<b>1002</b>	<b>1028</b>
TOTAL Mkt. Yr. Exports	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0
Feed Dom. Consumption	100	124	100	111	111
TOTAL Dom. Consumption	700	784	660	934	958
Ending Stocks	13	98	237	68	70
<b>TOTAL DISTRIBUTION</b>	713	<b>882</b>	668	<b>1002</b>	<b>1028</b>

**Wheat Production and Consumption**

Wheat consumption has increased due to a high influx of visitors from neighboring countries into Jordan, and the expansion of the food industry in the form of restaurants and processed food.

The 2005/2006-rainfall season was dry and less than average; wheat production for last season was much below the average.

**Wheat Trade**

U.S. wheat market share in Jordan has been diminished due to high prices in general, and freight prices from the U.S. Wheat imports during MY2006/2007 are expected to reach 910,000 MT. The United States has supplied 64,000 MT (7 percent of total imports) facilitated by the FY05/06 PL 480 Title I program. Although the GSM-102 program is available, it is not expected that Jordan will utilize it to purchase U.S. wheat due to higher U.S. prices compared with other origins.

## Import Trade Matrix

<b>Jordan</b>				
<b>Wheat (1000MT)</b>				
<b>Time period</b>	<b>July/June</b>			
		<b>Revised</b>		Forecast
<b>Imports for</b>		<b>2005</b>		<b>2006</b>
U.S.	U.S.	64	U.S.	32
Others	Others		Others	
Syria	Syria	375	Syria	300
Romania	Ukraine	152	Ukraine	200
Germany	Germany	50	Kazakhstan	128
Argentina	Poland	50	Argentina	50
Russia	Russia	100	Russia	100
Czech	Kazakhstan	56	EU	100
Hungary	EU	56		
Kazakhstan				
<b>Total for Others</b>		<b>839</b>		<b>878</b>
<b>Others not listed</b>				
<b>Grand Total</b>		<b>903</b>		<b>910</b>

## PSD Table

<b>Jordan</b>							
<b>Barley (1000 MT)</b>				Revised		Revised	
		<b>2003</b>		<b>2004</b>		<b>2005</b>	<b>2006</b>
	Old	New	Old	New	Old	New	
<b>Market Year Begin</b>		<b>July-03</b>		<b>July-04</b>		<b>July 2005</b>	<b>July-06</b>
Area Harvested (1000 Hectares)	93	13	80	59	73	20	75
Beginning Stocks	51	166	26	65	65	179	143
Production	30	7	65	31	20	16	35
TOTAL Mkt. Yr. Imports	300	492	450	803	450	728	700
Oct-Sep Imports	300	492	450	803	450	728	700
Oct-Sep Import U.S.	0	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	381	<b>665</b>	541	<b>899</b>	535	<b>923</b>	<b>878</b>
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0	0
Feed Dom. Consumption	355	600	515	720	515	780	730
TOTAL Dom. Consumption	355	600	515	720	515	780	730
Ending Stocks	26	65	26	179	20	143	148
<b>TOTAL DISTRIBUTION</b>	381	<b>665</b>	541	<b>899</b>	535	<b>923</b>	<b>878</b>

## Barley Production and Consumption

Consumption of barley has increased. The avian influenza panic increased the demand for red meat. This has caused a shift in resources into sheep feed rather than poultry feed. But it is expected to slightly decline due to stability in the market and the resurgence of poultry consumption. Barley production for last season was negatively affected by drought. Barley is mainly used for cattle and sheep feed and sometimes for poultry feed.

## Barley Trade

No barley imports from the U.S. is recorded due to high prices and high shipment costs. Since 1999, Ukraine has been the major supplier with Germany ranking second. The GOJ has been the sole importer of barley and sets the selling price; recently, the GOJ increased its selling price of barley to JD 90 per MT for livestock producers and JD125 per MT for retailers.

## Import Trade Matrix

<b>Jordan</b>			
<b>Barley (1000 MT)</b>			
<b>Time Period</b>	<b>July/June</b>		
<b>Imports for</b>	<b>2004</b>		<b>2005</b>
U.S.	0	U.S.	0
Others		Others	
Ukraine	661	Ukraine	478
Russia	41	Germany	200
Germany	50	Black Sea	50
Australia	51		
<b>Total for Others</b>	<b>803</b>		<b>728</b>
<b>Others not listed</b>			
<b>Grand Total</b>	<b>803</b>		<b>728</b>

PSD Table

<b>Jordan</b>						
<b>Corn (1000 MT)</b>			Revised			
	<b>2003</b>		<b>2004</b>		<b>2005</b>	<b>2006</b>
	New	Old	New	Old	New	Forecast
<b>Market Year Begin</b>	<b>Oct-03</b>		<b>Oct-04</b>		<b>Oct-05</b>	
Area Harvested (1000 Hectares)	0	1	0	1	0	0
Beginning Stocks	79	0	79	25	69	50
Production	0	1	0	1	0	0
TOTAL Mkt. Yr. Imports	450	500	470	500	450	510
Oct-Sep Imports	450	500	470	500	450	510
Oct-Sep Import U.S.	320	350	347	0	350	350
<b>TOTAL SUPPLY</b>	<b>529</b>	501	<b>549</b>	526	<b>519</b>	<b>560</b>
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	450	476	480	480	450	500
TOTAL Dom. Consumption	450	476	480	480	450	500
Ending Stocks	79	25	69	46	69	60
<b>TOTAL DISTRIBUTION</b>	<b>529</b>	501	<b>549</b>	526	<b>519</b>	<b>560</b>

### Corn Production and Consumption

Jordan's locally produced corn is mostly used as corn-on-the cob for human consumption; overall, corn consumption is around 450,000 MT annually, expected to increase to 500,000 MT mainly for use as poultry feed.

### Corn Trade

Imports of corn from the United States have increased significantly due to the Free Trade Agreement signed between Jordan and the United States, under which imports of American corn no longer face a 5.2 percent Jordanian import tariff. Corn is imported in bulk by the private sector.

For MY2005/2006, corn imports were down due to avian influenza-induced fears among consumers. The situation was improved for the poultry industry. The United States accounts for 80 percent of imports. Other suppliers are Argentina, Ukraine and Turkey.



## Import Trade Matrix

<b>Jordan</b>					
<b>Corn (1000 MT)</b>					
<b>Time period</b>	<b>Oct/Sept</b>				
<b>Imports for</b>	<b>2004</b>		<b>2005</b>		<b>2006</b>
U.S.	347	U.S.	350	U.S.	350
Others		Others		Others	
Argentina	88	Argentina	100	Argentina	100
Spain	35	India	50	Ukraine	30
<b>Total for Others</b>	123		100	Turkey	30
<b>Others not listed</b>	0		0		
<b>Grand Total</b>	470		500		510

## PSD Table

<b>Jordan</b>						
<b>Rice, Milled (1000 MT)</b>			Revised			
	<b>2003</b>		<b>2004</b>		<b>2005</b>	<b>2006</b>
	New	Old	New	Old	New	Forecast
<b>Market Year Begin</b>	<b>Jan-03</b>		<b>Jan-04</b>		<b>Jan-05</b>	
Area Harvested	0	0	0	0	0	0
Beginning Stocks	47	47	62	42	88	60
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate(.9999)	0	0	0	0	0	0
TOTAL Imports	125	100	136	100	130	132
Jan-Dec Imports	125	100	136	100	130	132
Jan-Dec Import U.S.	22	0	31	20	66	50
<b>TOTAL SUPPLY</b>	<b>172</b>	<b>147</b>	<b>198</b>	<b>142</b>	<b>218</b>	<b>192</b>
TOTAL Exports	0	0	0	0	0	0
Jan-Dec Exports	0	0	0	0	0	0
TOTAL Dom. Consumption	110	105	110	105	128	132
Ending Stocks	62	42	88	37	90	60
<b>TOTAL DISTRIBUTION</b>	<b>172</b>	<b>147</b>	<b>198</b>	<b>142</b>	<b>218</b>	<b>192</b>

## Rice Production and Consumption

Jordan is one of the eight driest countries in the world. As a result, there is no rice production. Rice is one of the main staples of the Jordanian diet. Average consumption is about 25kg per person per year. The preferred variety is medium grain (Camolino), which constitutes 90 percent of imports.

## Rice Trade

Rice trade is conducted by the private sector. Imports in 2005 were 130,000 MT, of which 66,206 metric tons came from the United States. The figure is expected to increase slightly, but with a decline in U.S. market share due to high prices in general and low prices of Egyptian rice. This low cost is due to lower shipment costs. In addition to the United States, major suppliers are Egypt, Thailand, and Pakistan. Total rice imports during 2006 are at the same level as 2005, but with Egypt contributing a larger share. Although Australian rice is a major competitor, no imports took place in 2006 due to the fact that the Australian harvest was poor for the second consecutive year. Thus competition for medium grain rice was strong between the U.S. and Egypt. Egyptian rice is imported bagged and in small vessels. U.S. rice is imported in bulk and is bagged in Jordan. Imports of consumer packaged parboiled long grain and Basmati rice during 2006 are estimated at 30,000 metric tons. U.S. long grain rice exports face strong competition from Thailand and Pakistan.

## Import Trade Matrix

<b>Jordan</b>					
<b>Rice, Milled (1000 MT)</b>					
<b>Time period</b>	<b>Jan/Dec</b>				
					<b>Forecast</b>
<b>Imports for</b>	<b>2004</b>		<b>2005</b>		<b>2006</b>
U.S.	31	U.S.	66	U.S.	50
Others		Others		Others	
Egypt	47	Egypt	35	Egypt	50
Australia	20	Thailand	11	Thailand	10
Thailand	14	India	4	India	6
Spain	11	Pakistan	2	Pakistan	5
				Australia	5
<b>Total for Others</b>	92				
<b>Others not listed</b>	13		12		6
<b>Grand Total</b>	136		130		132

## Production and Price Policy

Despite all market reforms implemented during the last decade, the GOJ continues to be the sole importer of wheat and barley. The GOJ also sets the prices for wheat it sells to millers and fix millers flour prices to bakers. It also continues to fix retail prices for one type of bread known as unified and *baladi* bread. The unified type of bread accounts for 90 percent of Jordan's wheat consumption. The price of wheat sold to millers is JD 90.430/MT. The price of flour is JD 116.730/MT for the unified bread. In addition, the GOJ continues its grain subsidy policy whereby it encourages farmers to plant wheat and barley and purchases these crops at higher-than-market prices. Price support is announced every year before the planting season. In MY 2005/2006, GOJ purchased 11,000 MT of wheat at JD 200/MT and 19,000 tons of barley at JD 160/MT.

## Market Development

Jordan will continue to import most of its wheat and barley needs and all of its corn and rice requirements. Jordan utilizes programs tailored to facilitate U.S. exports such as PL 480 Title I, credit guarantees and other assistance programs. Financing will continue to be a decisive factor in Jordan's purchasing decision due to Jordan's limited foreign exchange and its budgetary constraints.

Since corn and soybean are imported mainly for poultry feed, one should expect an increase in imports due to a decrease in avian influenza fears. This panic had an adverse effect on consumer demand for poultry, and subsequently on feed demand.

USDA Cooperators (U.S. Wheat Associates, U.S. Grains Council the U.S. Rice Council, and American Soybean Association) provide valuable in-country technical assistance such as educational workshops; in-store promotions and trade service programs, as well as training for Jordanians inside and outside Jordan.